

PRINCIPLES OF MANAGEMENT

PURPOSE OF MANAGEMENT

NOTES

- More than one individual structure a group. This group must be sorted out to accomplish the goals for which it is framed. We consider such an organized group as 'organization'.
- Management manages a business.
- Business is the trading of products and services which is either paid by the client or for them by the government or through charities.
- Business always attempts to add value through goods and services.
- Every business activity produces work.
- Rather than seeing business just as a benefit making action, it is smarter to comprehend it as an organization for economic development.
- Business offers ascend to various management concerns.
- Changing nature because of environmental elements impact the dependability of management.
- Running a business includes ownership interest, entrepreneurial interest along with administrative interest, and hence business can't be separated from management.

- The twin trial of business, to be specific profitability and liquidity, forces management to manage the business in such a way that business objectives are achieved.
- The expanding globalization, privatization, and liberalization are making business serious and more vital strategic planning is done to remain in the business.

KEYWORDS

- Privatization: when services are provided by various for-profit companies as a price to the consumer.
- Liberalization: refers to 'the removal of controls', to encourage economic development.
- Globalization: Refers to the free and unrestricted flow of products and services all over the world.
- Liquidity: The ease and swiftness with which an asset can be converted into cash without suffering a significant loss.
- Entrepreneur Businessman: One who is a pioneer in a business is called an 'entrepreneur businessman'.
- Ownership interest: Refers to the extent of involvement and hence the interest of the owners in running of the business.

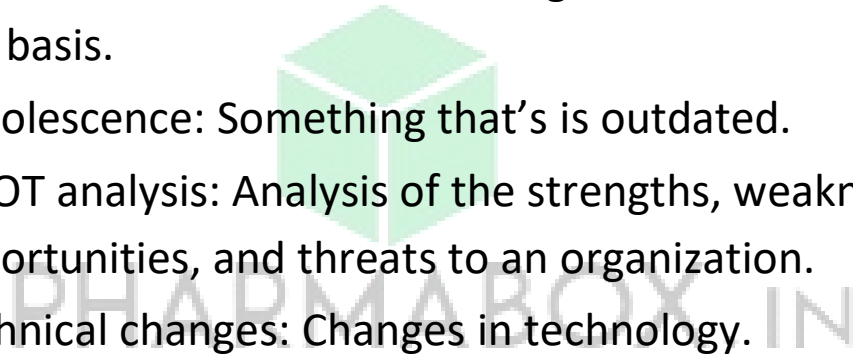
DESIGNING ORGANISATION FOR BUSINESS

NOTES

- Groups consisting of more than one person can attain a purpose, if they are organized and externally managed, this is where management plays its role.
- An association is principally planned to keep in see the performance, competition, and costs.
- Management begins with partitioning work among people and their gatherings, the division requires coordination of activities.
- An organization must be adaptable to oblige interior changes inside it and outer changes which results in dangers and openings which are all unique. This coordination is set up by weaving authority structure, communication, information, systems, procedes, and resources flow.
- Planning of resources is a significant piece of management. The resources are human and technical. Although the human dominates in an organization, they can't perform without specialized resources, and management includes making a domain for individuals to encourage execution.
- Social relationships within a structured organization give birth to an informal organization.

KEYWORDS

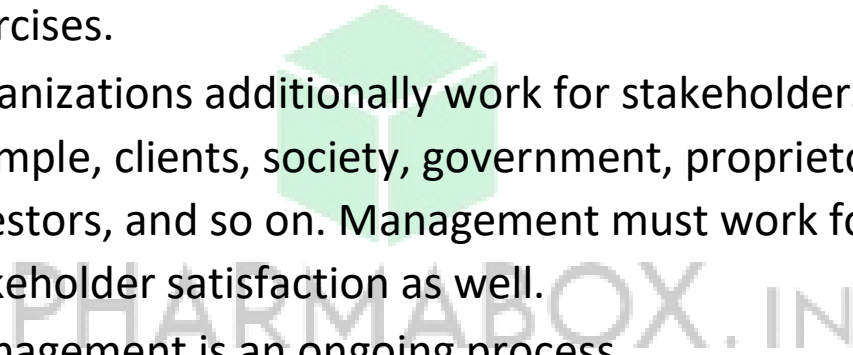
- Democratic organization: An organization in which employee have a say or their opinions and suggestions are taken into consideration.
- Innovation: New idea, concept, product, activity, etc.
- Bureaucratic organization: An organization in which decisions are taken only by the owners / top management and are handed down to the rest.
- Organization culture: It is how people work together and behave with each other in an organization on a day to day basis.
- Obsolescence: Something that's is outdated.
- SWOT analysis: Analysis of the strengths, weaknesses, opportunities, and threats to an organization.
- Technical changes: Changes in technology.
- Economical changes: Changes in economic policies and activities.
- Political changes: Changes due to the politics of the nation.
- Legal changes: Changes that have been brought about by law.



NEED FOR MANAGING BUSINESS

NOTES

- Managers can be outsiders, e.g.: consultants, the board of directors, specialists, etc.
- Managers are the individuals who oversee undertakings or exercises for associations.
- Only people can manage since they can utilize discretion while overseeing. Robots can't utilize watchfulness except if planned and as such can't profess to be managers even though they can do assignments or exercises.
- Organizations additionally work for stakeholders too, for example, clients, society, government, proprietors, investors, and so on. Management must work for their stakeholder satisfaction as well.
- Management is an ongoing process.
- Management can be applied to all types of organizations and all levels of management within an organization.
- Though profit is the main aim of any management, the twin consideration of customer satisfaction and competitive competition is emerging.



KEYWORDS

- **Entrepreneurs:** Are those business people who are loosely described as one who ventures into something new in terms of products, services, processes, etc.
- **Manager:** Those who help in the function of management are managers.
- **Board of directors:** BOD of a company is a committee formed on behalf of shareholders to direct business and its management. BOD is a part of management.
- **Stakeholders:** Those who have a stake in the result of an organization are called stakeholders.
- **Bureaucracy:** In this model, people look upward for any directions and decisions.
- **Co-operative establishment:** These are group efforts directed at conducting business activities through the co-operation of several people.
- **Contingent Approach:** According to this approach, management principles can only work if they are expressed in terms of contingencies and therefore management must consider decisions and actions as per contingency.

MANAGEMENT OF STANDARD FUNCTIONS

NOTES

- Based on the principle of division of work, an organization is divided into several functions and it also creates specialized functions.
- These functions which are to a great extent regular to the majority of the organizations are formed into various administration capacities, e.g.: marketing, human resource management, operations, finance, etc.
- Each of these functions is characterized by the knowledge or skills required to operate in each section.
- Thus, each specialization embraces a lot of diverse activities and overall knowledge of these would be necessary for a managerial career.
- Now processes also acquire importance since they are found to be necessary to promote customer satisfaction as well as reduce the cost of handling by departments.

KEYWORDS

- Functional specialization: Refers to areas of specialization within an organization.
- Process orientation: Refers to focus on following set processes with a view of providing the best customer service.
- Execution: Refers to the implementation of activities on the ground.
- Conversion: Refers to changing from one format to another.
- Quality assurance: Refers to the fact that standard materials, processes for production, and delivery have been used for the production of any product or service.

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MANAGING RESOURCES

NOTES

- Managerial work involves raising and using resources.
- On the one side resources satisfy administrative needs however alongside it, it raises various administrative issues while choosing and utilizing it's for application.
- The assortment of resources required is huge and this brings pressure on capital.
- Therefore, the resources are scarce at any time in business.

KEYWORDS:

- Inventory: A complete list of items such as property, goods in stock.
- Procurement: The act of obtaining or buying goods and services.
- Profitability: Whether a business proposition is going to bring financial gains.
- Receivables: The money that a business has to receive from others.
- Depreciation: A reduction in the value of an asset with time, due in particular to wear and tear.
- Scarcity: A lack or shortfall of something.



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PLANNING

NOTES

- In planning, we try to join the present with the future.
- Planning is a logical effort and requires a ton of assortment of information and gauging future conditions inside which it needs to work.
- Since the future must be envisioned, we go on specific premises supported by as much information as could be expected under the circumstances.
- Beginning right from considering a business to its execution it is secured by different planning steps. The point is to arrange concrete to actualize as could be expected under the circumstances.
- Plans can come up short for some reason yet the activity itself will lead us to draw some important conclusions for the business.
- Planning is a significant instrument for control and we can't stand to disregard it.

KEYWORDS

- Result Oriented: Driven towards achieving results or targets.
- Vision: Plans for the organization.
- Mission: What the organization wishes to achieve for the clients/ beneficiaries.
- Premise: Assumptions/ calculations.
- Forecast: Anticipating future events.
- Synergy: Co-ordination, similar goals, activities, and direction.
- Diversification: An organization which takes up more than one line of business.
- Liquidation: To sell assets and raise money/ capital.

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DECISION MAKING

NOTES

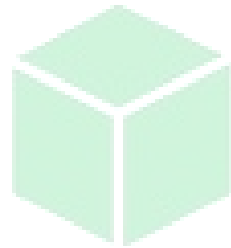
- Taking decisions is more of an art than science through scientific tools that are available to impose more rationality and objectivity in decision-making. In the case of indecision, time will take a decision for you leaving no control over its consequences.
- Decisions are objective-based, action-oriented, value and time based, needs ease for handling, creativity, resource availability, and demands risk-taking capacity on part of the decision maker.
- If one has to cultivate more alternatives, one must pose the right problem. We should invite more problems to get more alternatives.
- Mere decision-taking is not enough; managers must decide how to handle a decision in terms of values and culture obtainable at any given time as well as synchronize the number of stages involved at the same time.
- The major steps involved in decision-making are proper premising, understanding limiting factors, developing alternatives, evaluation of alternatives, handling decisions, make a periodical review, and revision by arranging feedback.

- Different types of decisions are expected from managers and the managers must choose the one which is effective in a given situation.
- Managers should get acquainted with managerial techniques that can be used to support decision-making activities.
- Human judgment still holds a dominating role in decision-making.

KEYWORDS

- Risk Taking: Refers to the ability and appetite for risk in business.
- Change Management: Refers to the techniques, skills, and attitudes required to manage the impact of any change in the business environment-internal and external.
- Premising: Refers to making some assumptions before making a decision, generally these are well thought out.
- Proactive: When action is taken in advance to save time, cost, and energy.
- Reactive: Refer to decisions and actions that are taken in direct response to a situation that arises.
- Prescriptive: Refers to what is prescribed and has been tried and tested before as a solution to the problem.

- Management Information Systems: Refers to systems that store and allow the retrieval of information for taking decisions.



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ORGANIZING

NOTES

- Organizing includes building up a reasonable structure and asset activation on a drawn-out premise to give solidness to everyday working.
- People who are architects and recipients of organizations are significant in an association.
- Organizing depends on standards, for example, division of work, specialization, departmentation, authority levels, a range of the board, scalar power lines, route, equality of power and obligation, the solidarity of command, collaboration, and cooperation.
- The unmistakable authoritative structures are formal, casual, framework, and undertaking.
- All organizations require legitimate acknowledgment to work and consequently, it offers to ascend to different organizations under various lawful acts.
- The size of an association and the range of the board offer ascent to authoritative levels.
- The departmentation depends on sanity and can be considered in terms of time, place, process, functions, business, etc.
- Organizations being living substances are inclined to rot by loss of business, work ethos, and low confidence

which can be redressed by changing business, leadership, reorganization, and conflicts resolution.

- The procedures, for example, association outlines, manuals, position portrayal, and authoritative execution review can help to organize.
- A simple authoritative structure doesn't deliver ideal work conditions. One needs to create individuals, leadership, frameworks to make it a performing association.

KEYWORDS

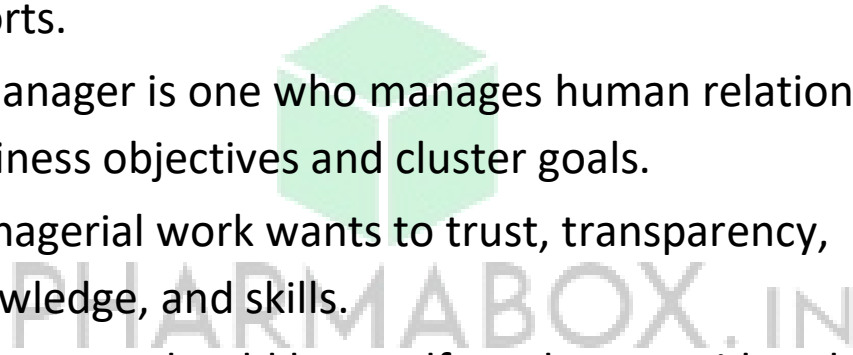
- **Delegating:** To authorize and send (another person) as one's representative. To commit or entrust to another: delegate a task to a subordinate.
- **Authority:** Authority is a right conferred by a recognized social position. Authority often refers to the power vested in an individual or organization by the state.
- **Empowerment:** Empowerment refers to increasing the spiritual, political, social, educational, gender, or economic strength of individuals and communities.
- **Centralizing:** To draw into or toward a center; consolidate. To bring under a single, central authority.
- **Specialization:** To pursue a special activity, occupation, or field of study.

- Departmentation: The process of a grouping of activities into units for administration is called departmentation. It can be defined “as the process by which activities or functions of the enterprise are grouped homogeneously into different groups.”
- Proprietorship: A business concern owned by a single businessman.
- Partnership: A business that has more than one businessman.
- Morale: Morale is the capacity of a group’s members to maintain belief in an institution or goal, particularly in the face of opposition or hardship.
- Work ethos: “Work ethos” is a compound expression built on the Greek word “ethos”. With the adjective “work” preceding ethos, the expression refers to a person’s work ethic.

MANAGEMENT AS CAREER

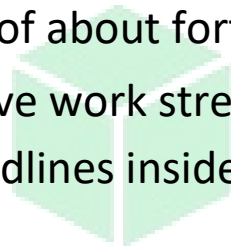
NOTES

- Management education won't be helpful until one applies it in practice.
- Qualities are additives and one will continue adding qualities on the thanks to a career.
- Career resides on one's knowledge, skills, and values and a management career specifically involve achievements of structure goals through joint organized efforts.
- A manager is one who manages human relations for business objectives and cluster goals.
- Managerial work wants to trust, transparency, knowledge, and skills.
- A manager should be a self-worker to guide others in work, have the sympathy for those that are directly or indirectly tributary to results, and devote time for self-thinking and analysis, takes leadership once the assistants are confused.
- There are several facet roles a manager plays - spokesman, ceremonial head, public relations, and social responsibilities.
- One needs self-control to play managerial roles.



- Managers can find discipline smart to search out inconsistencies and acknowledge issues at the initial stages.
- 'Learning' is one activity that managers ought to do life-long.- In employment, one might get the worth that's negotiated, however, one might not essentially get a price that is ruling within the market.
- One must decide what one must provide to the leader in terms of competence.
- One must be always ready to travel through an operating career of about forty years.
- Managers can have work stress due to divergent activities and deadlines inside that they need to perform.
- Human relations with owners, bosses, colleagues, and subordinates must have a client approach and spirit of service.
- For promotions or higher chances, you want to merit before needing them.

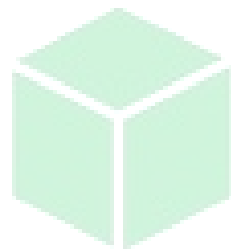
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KEYWORDS

- Career: Career is defined by the oxford dictionary as a person's progress or course in life (or a distinct portion of his life)
- Manager: Refers to a person who has control or direction of an institution, business, etc, or a part, divisions, or phase of it.
- Management functions: It includes management processes such as planning, organizing, staffing, directory, and controlling, etc.
- Discipline: It is the assertion of willpower over more basic desires, and is usually understood to be synonymous with self-control.
- Learning: Learning is acquiring new or modifying existing, knowledge, behaviors, skills, values, and preferences and may involve synthesizing different types of information.
- Employment: Employment is a contract between two parties, one being the employer and the other being the employer.
- Human relations: It is the study of human problems arising from organizational and interpersonal relations in industry. It is meant to help the better interpersonal and intergroup adjustment.

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